

OFFICE OF AUDITS & ADVISORY SERVICES



DEPT. OF THE PUBLIC DEFENDER OFFICERS' TRANSITION AUDIT

FINAL AUDIT REPORT

Chief of Audits: [James L. Pelletier, CIA, CICA](#)
Senior Audit Manager: [Tom Philipp, CIA, CCSA](#)
Auditor I: [Kathleen M. Whitehead, CGAP, CICA](#)

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COUNTY OF SAN DIEGO
INTER-DEPARTMENTAL CORRESPONDENCE

May 17, 2010

TO: Henry Coker, Public Defender
Department of the Public Defender

FROM: James L. Pelletier
Chief of Audits

**FINAL REPORT: DEPARTMENT OF THE PUBLIC DEFENDER OFFICERS' TRANSITION
AUDIT**

Enclosed is our report on the Department of the Alternate Public Defender Officers' Transition Audit (Carroll – Coker). We have reviewed your responses to our recommendations and have attached them to the audit report.

The actions taken and/or planned, in general, are responsive to the recommendations in the report. As required under Board Policy B-44, we respectfully request that you provide quarterly status reports on the implementation progress of the recommendations. The Office of Audits & Advisory Services will contact you or your designee near the end of each quarter to request your response.

Also attached is an example of the quarterly report that is required until all actions have been implemented. To obtain an electronic copy of this template, please contact Kathleen Whitehead at (858) 495-5653.

If you have any questions, please contact me at (858) 495-5661.

JAMES L. PELLETIER
Chief of Audits

AUD:KMW:aps

Enclosure

- c: Raymond A. Fernandez, Deputy Chief Administrative Officer, Public Safety Group
Donald F. Steuer, Chief Financial Officer
Tracy M. Sandoval, Assistant Chief Financial Officer/Auditor and Controller
Dorothy Y. Thrush, Group Finance Director, Public Safety Group

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INTRODUCTION

Audit Objective

The Office of Audits & Advisory Services (OAAS) has completed an officers' transition audit for the Department of the Public Defender (PD). The objective of the audit was to determine if there is reasonable assurance that the outgoing officer, Steven Carroll, and incoming officer, Henry Coker, took appropriate actions and filed complete and accurate reports as of July 10, 2009 in compliance with California Codes, County regulatory requirements, and County policies and procedures. These requirements were explained in the instruction letter provided to each officer.

Background

The County Charter requires that the OAAS conduct such an audit when County officers leave or assume office to determine if certain affidavits, authorizations, disclosures, and reports are properly completed and processed. These actions provide for an orderly transition of officers, establish proper accountability for public assets and promote the County's General Management System (GMS), including its key disciplines of accountability/transparency, fiscal stability, and continuous improvement.

Audit Scope & Limitations

The reports are the responsibility of the officer who signs them. The OAAS' responsibility is to provide an opinion on the reports based upon the audit.

This audit was conducted in accordance with auditing standards prescribed by the Institute of Internal Auditors, Inc., as required by California Government Code, Section 1236.

Methodology

OAAS reviewed all the reports filed by the outgoing and incoming officers and obtained supporting documentation to test completeness and accuracy of the reports.

AUDIT RESULTS

Summary

In our opinion, there is reasonable assurance that the outgoing and incoming officers filed complete and accurate reports in compliance with California Codes, County regulatory requirements, and County policies and procedures in connection with an officer's transition, except for the following items:

Finding I:

Statement of Economic Interest (Form 700) Not Completed

According to the Clerk of the Board, Henry Coker, did not submit a Form 700 – Assuming Office Statement. The California Political Reform Act (1974) requires public officials to disclose assets and income that may materially affect their official actions. According to the Fair Political Practices Commission – “Your Duty to File (revised 09/04)”, an Assuming Office Statement should be filed within 30 days after assuming office. Further, not having the Form 700 available to the public, there is a risk that inappropriate actions by a public official remain undetected.

Recommendation: The Incoming Officer should file a Form 700 – Assuming Office Statement with the Clerk of the Board.

Finding II:

Inaccurate Amount Reported for Fixed Assets

The amount reported does not reflect the actual amount for fixed assets as of the transition date. The amount reported on the Capitalized Property Inventory Certificate was understated by \$23,171 due to the omission of a video conferencing system. The amount reported did not reconcile with records in the Oracle Fixed Asset Module as of the transition date. This report should be consistent with the amount recorded in Oracle.

Recommendation:

The PD should adjust the Capitalized Property Inventory Certificate to reflect the actual amount.

Finding III:

Inaccurate Amount Reported for Accounts Receivable

The amount reported does not reflect the actual amount for accounts receivable as of the transition date. The amount reported on the Detail of Accounts Receivable report was understated by \$487,943 due to the omission of the accounts receivable balance transferred from the Alternate Public Defender. The amount reported for accounts receivable did not reconcile with the balances recorded in the Oracle General Ledger Module as of the transition date. These reports should be consistent with the amount recorded in Oracle.

Recommendation:

The PD should adjust the Detail of Accounts Receivable report to reflect the actual amount.

Finding IV:

Materials/Supplies and Minor Equipment/Books Not Reported by Location

During the review of documentation, OAAS noted that the following amounts reported on the Minor Equipment/Books and Materials/Supplies Certificates did not include all locations. In addition, OAAS noted that a listing is not being maintained for all locations.

- Materials and Supplies Certificate: Out of 19 locations, only one location (Primary Public Defender - Main Office) was reported.
- Minor Equipment and Books Certificate: Out of 19 locations, only five locations (Primary Public Defender - all) were reported.

In accordance with the County Administrative Manual (Item No: 0050-02-01), Department heads are required to maintain listings of minor equipment items for which they are responsible, adding new items as they are received and deleting items that are disposed of or no longer in use. In addition, the County Fiscal Year-End Closing Manual requires every department to file a Materials and Supplies/Minor Equipment and Books Inventory" by Location Report (Form YE-2d) each year. As a result, the reports submitted by the PD do not represent an accurate amount held by the department for minor equipment/books and materials/supplies. This condition increases the risks of assets being misappropriated, lost, or stolen.

Recommendation: The PD should correct the Minor Equipment/Books and Materials/Supplies Certificates to represent the actual amount. Additionally, to strengthen controls around inventory management, the PD should take the following actions:

- Maintain detailed listings of each location; and
- Review procedures regarding the inventory management between all the branches of the various agencies within the department for consistency and to ensure accuracy.

COMMENDATION

The Office of Audits & Advisory Services commends and sincerely appreciates the courteousness and cooperation extended by the officers and staff of the Department of the Public Defender throughout this audit.

Office of Audits & Advisory Services

C Compliance

R Reliability

E Effectiveness

A Accountability

T Transparency

E Efficiency

VALUE

DEPARTMENT'S RESPONSE

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MAY 13 2010

OFFICE OF AUDITS &
ADVISORY SERVICES

County of San Diego

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HENRY C. COKER
Public Defender

PRIMARY PUBLIC DEFENDER

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(APD)

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DATE: May 11, 2010

TO: James L. Pelletier
Chief of AuditsFROM: Henry Coker, Public Defender
Department of the Public DefenderSUBJ: DEPARTMENT RESPONSE TO AUDIT RECOMMENDATIONS: DEPT. OF THE
PUBLIC DEFENDER OFFICERS' TRANSITION AUDIT (CARROLL - COKER)**Finding I:** Statement of Economic Interest (Form 700) Not Completed**OAAS Recommendation:** The Incoming Officer should file a Form 700 –
Assuming Office Statement with the Clerk of the Board.**Action Plan:** Departmental Personnel Officer will contact Mr. Stephen Carroll for
a completed Statement of Economic Interest (Form 700) with original signature.**Planned Completion Date:** June 30, 2010**Contact Information for Implementation:** Rick Collantes, Principal Analyst**Finding II:** Inaccurate Amount Reported for Fixed Assets**OAAS Recommendation:** The PD should adjust the Capitalized Property
Inventory Certificate to reflect the actual amount.**Action Plan:** The department agrees with this finding. Corrective entries have
been made in Oracle Financial System to reflect corrected Capitalized Property
Inventory.**Planned Completion Date:** Completed April 30, 2010**Contact Information for Implementation:** Rick Collantes, Principal Analyst

Finding III: Inaccurate Amount Reported for Accounts Receivable

OAAS Recommendation: The PD should adjust the Detail of Accounts Receivable report to reflect the actual amount.

Action Plan: The department agrees with this finding. Corrections have been implemented to consolidate Public Defender and Alternate Public Defender accounts receivable.

Planned Completion Date: Completed April 30, 2010

Contact Information for Implementation: Rick Collantes, Principal Analyst

Finding IV: Materials/Supplies and Minor Equipment/Books Not Reported by Location

OAAS Recommendation: The PD should correct the Minor Equipment/Books and Materials/Supplies Certificates to represent the actual amount. Additionally, to strengthen controls around inventory management, the PD should take the following actions:

- Maintain detailed listings of each location; and
- Review procedures regarding the inventory management between all the branches of the various agencies within the department for consistency and to ensure accuracy.

Action Plan: The department agrees with this finding. Due to the recent merger of two departments – the Public Defender and the Alternate Public Defender – into one Department of the Public Defender, we are in the process of combining and standardizing inventory management and related policies and procedures.

As recommended, the Minor Equipment/Books and Materials/Supplies Certificates will be corrected to represent the actual amount of all locations.

The PD is in the process of developing a standardized department-wide policies and procedures for materials and supplies inventory management. The use of the County's purchasing system (Eway), which utilizes a just-in-time inventory strategy, will enhance control and monitoring of supplies and reduce the need for maintaining supply inventories within each location. Additionally, the PD is implementing a policy of reducing our reliance on hard copy books and moving forward with the use of online publications for research and case reviews.

Planned Completion Date: The corrections to the inventory certificates will be completed by July 31, 2010. The new policies and procedures will be completed by June 30, 2011.

Contact Information for Implementation: Rick Collantes, Principal Analyst

If you have any questions, please contact me at (619) 338-4796.



Henry Coker